



SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

*1333 Main Street, Suite 200
Columbia, SC 29201*

Joint Meeting of the Commission and Presidents' Council

December 7, 2006

1:00 PM

First Floor Conference Room

AGENDA

1. Introductions

– Layton McCurdy

2. Discussion Items

a) Performance Funding, Accountability and Statewide Planning

Attachment 2a.1, Performance Funding, Historical Review Highlights

Attachment 2a.2, Final Draft of Presidents' Accountability Work, Dec. 2005

Attachment 2a.3, CHE Planning Statutes

b) CHE's FY08 Budget Request for Academic Program Review

Attachment 2b.1, Academic Program Review FY08 Request Summary

c) Need-Based Student Aid Distribution Formula

d) South Carolina Trustees Conference, April 26, 2007

3. Other Business

4. Adjournment

Performance Funding, Historical Review Highlights

<i>PF Year Reference:</i>	1	2	3	4	5	6	7	8	9	10	11
<i>Fiscal Year of Activity</i>	FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
<i>Allocation Year Affected</i>	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08
	1st Year of Phase-in	2nd Year of Phase-in	3rd Year of Phase-in								
Funding in Appropriations Act - General Funds in CHE Budget for PF Allocation	\$4,625,000	\$14,542,000 (Proviso 5A.26 directed \$250 million to be allocated on performance on 22 indicators)	\$23,542,000 recurring; \$7,198,894 nonrecurring *Allocation of \$10 million for parity.	\$51,280,663 (mid-year budget reductions applied)	\$3,717,168	\$2,772,884	\$2,488,693	\$2,463,806	\$2,463,806	\$2,463,806	
							**PF funds re-directed by Proviso for EPSCOR & SC STATE				
Funding Allocation Methodology in Effect (<i>See Key Below</i>)	Method 1	Method 1	Revision: Method 2	Method 2	Revision: Method 3	Method 3	Method 3	Method 3	Revision: Method 4	Method 4	Method 4
Higher Ed Educational and General Operating Funds Total Including AHEC and State Pay/Health Plan	\$654 million	\$684 million	\$733 million	\$781 million (prior to budget reductions)	\$749 million	\$667 million	\$606 million	\$620 million	\$652 million	\$688 million	
Performance Improvement Plans Approved and Funded by CHE	\$157,007	\$386,465	\$1,337,315	\$1,858,584	n/a	n/a	n/a	n/a	n/a	n/a	n/a
# of Indicators (includes compliance, number may vary by sector)	n/a	14	22	37	37	37	13-14	13-14	13-14	8-10	8-10
Type Standards used in scoring performance on indicators	Institutional benchmarks	Institutional benchmarks	Institutional benchmarks	Institutional Benchmarks. Began using revised indicators adopted in prior year.	Peer-based Standards adopted in prior year implemented	Peer-based Standards. Reduced set of Indicators Applied.	Reduced Set of Indicators Applied (Peer-based standards reviewed & reaffirmed)	Reduced Set of Indicators Applied	Reduced Set of Indicators Applied	Indicators monitored for those with collected data	Indicators monitored for those with collected data
Scoring Methodology (Indicator Scoring Scale / Overall Score Determination)	6-point scale for indicators / Average % of scores applied to funding	6-point scale for indicators / Average % of scores applied to funding	6-point scale for indicators / Average % of scores applied to funding	3-point indicator scale / Overall in 5 Performance Categories	3-point, with improvement factor / 5 Performance Categories	3-point, with improvement factor / 5 Performance Categories	3-point, with improvement factor / 5 Performance Categories	3-point, with improvement factor / 5 Performance Categories	3-point, with improvement factor / 5 Performance Categories	Hold prior year score. Current data monitored.	Hold prior year score. Current data monitored.
Other Significant Activity			CHE undertook extensive review with institutions - modified scoring and indicators	Peers identified / MRR validation study / FIPSE Grant to study performance funding / Budget cuts begin Legislative ad hoc Review Committee established per proviso / Ad hoc Committee begins review, LAC Review established	PF Regulations enacted in 2001 session / CHE undertakes review of indicators - White Papers LAC Report Released June 2001 / Business Advisory Council recommends indicator consolidation	Modification to indicators for Yr 6 adopted in prior year implemented. / Break-away legislation	Second FIPSE Grant to study best practices in accountability Foundations' Study (Jun 03 to Dec 03) / CHE reorg. PF transferred to Finance, CHE Planning & Assessment Committee removed.	Presidents address CHE January 04, President's Workgroup begins meeting (May 04 to Jan 06)		Governor's Task Force began meeting (Apr 06 to Sept 06)	Institutional State Accountability Reports Required.

Funding Method 1: Institutions percentage used and applied to funding

Funding Method 2: Method by which performance improvement funds were taken off the top and then funds allocated based on category. Incentives of 1%, 2% and 3% applied for Achieves, Exceeds and Substantially Exceeds, respectively. Disincentives of -3% and -5% applied for Does not Achieve and Substantially Does not Achieve, respectively. Base affected over time for low performance.

Funding Method 3: Method by which pro rata cut provided to "Achieves" or better in the event of cuts. If new funds, multipliers used for categories Achieves and above (100%, 94% and 86%). Disincentives of -3% and -5% used for categories below "Achieves".

Funding Method 4: Method by which Plan to re-establish lost funding and begin addressing parity applies for those in "Achieves" and higher categories

A VISION FOR HIGHER EDUCATION IN SOUTH CAROLINA

Working Document of Institutional Presidents: Adopted June 13, 2005

Updated Working Document (with measures added): Adopted December 1, 2005

SHARED VISION: South Carolina higher education will be recognized and supported as the driving force for realizing the state's ambitions for human and economic development so that all citizens can take advantage of the opportunities that the 21st century has to offer. Progress will be marked by enhancement and growth in:

- Creating a well-educated citizenry
- Improving the quality of life and standard of living of all South Carolinians
- Meeting the changing workforce needs
- Providing for a new generation of public and private sector leaders
- Positioning the state to be competitive in a global economy through quality scholarship, research and public service

SHARED PURPOSE: To develop a unified plan of action that will position higher education to strategically influence the human and economic development needs of South Carolina.

To this end, Higher Education stands committed to achieving the goals outlined herein through well-developed objectives and anticipated outcomes to ensure accountability in achieving success.

GOALS AND OBJECTIVES

Goal 1: Help South Carolinians reach their full potential at every step of the educational process by supporting efforts within the state to reduce K-12 dropout rates, to prepare students for post-secondary education, and to increase participation in higher education.

Objective 1.1 Strengthen collaborative efforts between K-12 and higher education institutions to promote and encourage continued education.

Measures
1. Students, number of faculty, and amount of dollars and activities directly involved in efforts to promote and encourage continued education. Number of school districts as partnerships in K-12
2. Number and percent of high school completers going to higher education institutions

Objective 1.2 Create deliberative programs to engage faculty of higher education institutions and faculty of high schools in working together better to align high school curricula with college expectations using, for example, "Standards for Success" or some other agreed-upon college readiness standards.

Measures
1. Pass rates in developmental courses and in follow-up courses (this is a two-year college goal)

2. Percent of incoming higher education students going to SC technical colleges not requiring developmental course work
3.
a. Number of high school students who pass dual-enrollment courses
b. Number of high school students earning a three or higher on the Advanced Placement (AP) exams.

Objective 1.3 Increase accessibility to higher education through targeted efforts to assure that students have the opportunity to pursue post-secondary education regardless of economic status, and through continued improvement in ease of transferability and articulation.

Measures
1. Net cost/median family income, average undergraduate student debt, and State investment in need-based aid as a percent of federal program spending
2. Number of students transferring from higher education to higher education institutions
3. [] expenditure per FTE student

Goal 2: Foster human development in South Carolina by implementing policies and developing programs that enhance South Carolina's educational performance of underserved and underperforming populations.

Objective 2.1 Provide outreach services and programs to enable traditionally underserved populations in SC to acquire higher education.

Measures
1. Number of people and programs participating in educational, service, and outreach programs
2. Enrollment of SC students as a percent of SC population by race, gender, and geographic areas for undergraduates and graduates (check 18-64 age range)

Objective 2.2 Close the gap in educational attainment across ethnic group, gender, income levels, and geographical regions of the state.

Measures
1. Completions by race and gender of certificates, diplomas and degrees awarded
2. Retention from first to second year by race and gender
3. Graduation—State rate (includes transfers)

Goal 3: Within the context of institutional missions, the public higher education institutions of South Carolina will provide quality programs and work in cooperation with the business community to provide intellectual capital necessary for South Carolina to compete in the global knowledge-based economy.

Objective 3.1 Provide education and training in fields critical to South Carolina's future economy and quality of life while ensuring quality programs and increase these programs as appropriate.

Measures
1. Undergraduate student engagement or participation in research with faculty
2. Pass rates on licensure and certification exams
3. Number of graduates and number of job openings in fields critical to SC economy (using Department of Commerce "critical fields")
4. Number of programs that are accredited or nationally recognized

Objective 3.2 Within the context of sector and institutional mission, increase the level of competitive research related to South Carolina's future economy.

Measures
1. Dollars for sponsored research
2. Intellectual property (e.g., number of patents)

Objective 3.3 Strengthen collaborative efforts between higher education institutions and business and other community/state partners in order to help South Carolina better compete in a global knowledge based economy.

Measures
1. Number and types of advisory boards, research park activity/collaborations, and small business development to include public service activities
2. Employment status of graduates (note: obtaining this information is contingent upon an agreement to obtain data from the SC Employment Security Commission)
3. Number of undergraduate students participating in for credit internships, directed studies, and co-op's.

Objectives and measures for Goals 4 and 5 were not discussed in the November meeting.

Goal 4: Foster human development in South Carolina through a dynamic cultural and ecological stewardship that forms and expands a public agenda of artistic creativity, humanities research and education, and environmental preservation and protection.

Objectives to be determined by institution and/or sector

Goal 5: A separate optional goal to be developed by the reporting institution(s) that speaks to other statewide contributions of individual institutions or groups of cooperating institutions.

COMMISSION ON HIGHER EDUCATION STRATEGIC PLANNING

The South Carolina Code of Laws, 1976 (as amended), requires that the Commission implement a planning process for public higher education in the state. Although the major focus is on public institutions, private institutions are recognized and their goals are to be included when evaluating the institutions' contributions to fulfilling the state plan. The text of relevant sections of the code is attached.

Commission Responsibilities

The Commission is mandated to determine higher education goals for South Carolina and the methods to achieve them. The law mandates two overarching goals that are to be included in state higher education planning:

- Assure quality of higher education in SC
- Assure equality of access to higher education

To accomplish these goals, the Commission is required to:

- Establish an Advisory Council on Planning, reporting directly to the Executive Committee of the Commission
- Review goals of public and private institutions of higher education in relation to the state plan
- Ensure that public institutions of higher education have an active planning process
- Measure the institutions' indicators of achievement using the mandated performance funding process

Responsibilities of Others

The Executive Director of the Commission is required to produce an annual planning prospectus.

The Advisory Council on Planning must prepare revisions of the planning document for consideration by the commission and submit them to the Commission Executive Committee.

The institution must maintain an annual planning process that meets both state and Southern Association of Colleges and Schools (SACS) requirements.

(Key Planning Statutes, SC Code of Laws)

ARTICLE 7

IMPROVING ACCOUNTABILITY THROUGH PLANNING AND ASSESSMENT

SECTION 59-104-610. Statewide planning system.

The State Commission on Higher Education shall maintain a statewide planning system to address strategic issues in public and private higher education. The system must focus upon the following goals to:

- (1) identify future directions for higher education in South Carolina and recommend appropriate methods for meeting the resultant challenges;
- (2) review major goals identified by the public and private institutions of higher learning in this State and ascertain their relationship to higher education in South Carolina;
- (3) assure the maintenance and continued development of the quality of higher education in South Carolina;
- (4) assure the maintenance and continued provision of access to and equality of educational opportunity in higher education in South Carolina;
- (5) measure and monitor an institution's standard of achievement in regard to the performance indicators for quality academic success as contained in Section 59-103-30.

SECTION 59-104-620. Advisory Council on Planning.

(A) The Commission on Higher Education shall establish an Advisory Council on Planning to assist the commission and the institutions of higher learning in maintaining planning as a high priority.

(B) The advisory council shall report to the executive committee of the commission, which shall serve as the standing committee on planning for the commission.

(C) The advisory council shall submit to the executive committee of the commission its advice, reports, and draft plans.

SECTION 59-104-630. Individual planning process.

The Commission on Higher Education shall ensure that each public institution of higher learning in this State maintains its individual planning process.

SECTION 59-104-640. Prospectus for planning; statewide planning document; revisions.

(A) The chief executive officer of the Commission on Higher Education shall develop a prospectus for planning each year.

(B) In the initial year, the Advisory Council on Planning is responsible for developing a statewide planning document for submission to the commission.

(C) After the initial year and annually thereafter, the advisory council shall prepare revisions of the planning document for consideration by the commission. The revisions must conform to, but need not be limited to, the prospectus provided by the commission.



SC CHE FY 2007-08 LEGISLATIVE PRIORITIES

ENSURING EFFECTIVE SERVICE DELIVERY AND QUALITY ACADEMIC PROGRAMS

RE-ESTABLISH CHE ACADEMIC PROGRAM REVIEW

\$324,000 in recurring funds to re-establish CHE's Academic Program Review Process

CHE has been unable to support this mission-critical function and is requesting funds to allow the agency to re-establish its annual review cycle of programs. The reviews benefit the state by enabling program strengths and weaknesses to be identified and used for improving academic offerings, reducing duplication, and ensuring that statewide needs are met.

WHAT IS ACADEMIC PROGRAM REVIEW?

Academic Program Review is a process whereby CHE coordinates the statewide review of academic offerings in disciplines that do not have specialized accrediting entities to ensure quality and efficiency in the state's instructional programming. The review of existing academic programs is critical to CHE's statewide mission of ensuring quality and integrity of higher education degree programs across the state.

The process serves to

- Identify exemplary programs as well as programs in need of strengthening.
- Ensure appropriate program productivity and availability.
- Provide a strategic planning device for identifying present and future needs of specific discipline areas.
- Inform new program development.
- Aid in identifying resources such as facilities and equipment.
- Provide a comparative analysis of the level of development and overall quality of programs as measured against programs external to the State.

The reviews are conducted across the state's public baccalaureate-level institutions by outside review teams and primarily cover those disciplines (e.g., liberal arts and sciences) that do not have specialized accrediting entities. The evaluation process is both formative and summative. It involves the preparation of institutional self-studies; site visits conducted by external peer reviewers; a final report for each discipline area; and site visits once every seven to eight years, assuming this budget request is honored. Reviewers make recommendations to modify programs, to place programs on probation pending improvement, or to terminate programs.

HOW WILL REQUESTED FUNDS BE USED?

Requested funds will support an FTE at CHE to coordinate the review process and provide consultant fees and costs to conduct two statewide, disciplinary reviews annually.